THE WORLD TRADE ORGANIZATION 'MILLENNIUM BUG'

Instead of shaping their trade policies around the interests of transnationals, governments should co-operate in developing an alternative system that's both humane and sustainable.

Part 2 of 2

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GLOBALISATION IN CRISIS: THE EU'S INDIFFERENCE

Let us not forget that those who are in difficulty today are also those who most dramatically benefited from globalisation yesterday, and may again tomorrow.[36]
— European Union Foreign Trade Commissioner, Sir Leon Brittan

The financial crisis of the past few years has demonstrated the alarming instability of the deregulated global economy. Unprecedented suffering has been inflicted upon millions of ordinary people in the hardest-hit countries. The United Nations International Labor Organization (ILO) estimates that 20 million workers became unemployed between July 1997 and September 1998 alone; and this was even before Russia and Brazil were heavily impacted by the crisis.[37] In June 1999, the World Bank estimated that up to 200 million people had been thrown into "abject poverty" due to the financial meltdown. This raised the number of people living in poverty to over 1.5 billion worldwide.[38] Despite some recovery, the aftermath of the crisis continues to increase social problems around the world.

The EU, however, refuses to reconsider the current model of economic globalisation. It has callously blamed the governments of the affected countries for catalysing the crisis through poor financial management, and vehemently denies any link with trade and investment liberalisation. Clearly, the EU hopes to avoid a debate about the pitfalls of the high-speed deregulation of recent years, given its lofty ambitions for the strengthening of such policies within the WTO. Its continued promotion of international trade and investment liberalisation, despite increasing social misery and environmental destruction, is indefensible.

Contrary to the promised 'trickle-down effect' of economic growth based on international trade, the global gap between rich and poor continues to widen. UNCTAD's 1997 Trade and Development Report concludes that globalisation in its current form is responsible for a dramatic increase in global inequality. In 1965, the average personal income in G7 countries was 20 times that in the seven poorest countries in the world. In 1995, the difference was 39 times greater. Income inequalities and polarisation are also growing within countries: the share of wealth pocketed by the top 20 per cent of the population has increased in most nations since the early 1980s. Women, in particular, pay a high toll for the neoliberal restructuring of societies, suffering specifically from the resulting higher unemployment rates, lower-quality jobs, reduced salaries and the dismantling of the welfare state.[39]

UNCTAD (the United Nations Conference on Trade And Development) blames the high-speed liberalisation of market forces for these developments, and considers the current situation inevitable until the economy is refitted with regulations. The EU, on the other hand, argues that further liberalisation and expanded trade is the solution, despite the fact that more than one quarter of global production is currently exported—in comparison with only seven per cent in 1950.[40]

Many smaller countries in the South already depend upon international trade for up to 40 per cent of their gross domestic product, placing them in an extremely vulnerable position. Growing inequalities are becoming strikingly prominent, even within affluent Northern economies which generally profit most from corporate-led globalisation.

Although EU studies admit that the turbulent present is "the time when unskilled workers will be at risk of losing their jobs", the EU continues to reiterate its increasingly hollow claim that economic globalisation brings benefits that will eventually trickle down to all in European societies.[41]

The obvious beneficiaries of EU trade and investment policies are those European-based transnational corporations that have evolved into global players. Although corporations like Nestlé, Shell and Unilever have profited from transnational gianthood for decades, with an established presence in over 100 countries around the world, they are being joined by other ERT companies like Ericsson, Saint Gobain and Pirelli. Large TNCs based in the US, the EU and Japan dominate the emerging global economy—the top 500 companies, in particular, controlling over two-thirds of world trade and more than a third of the world's total productive assets. Almost every sector of the global economy is under the grip of a handful of TNCs, the most recent grabs being the services, automobile and pharmaceutical sectors.

Despite the rhetoric of liberalisation being a 'win-win' scenario for North and South, the EU's international trade policies effectively continue to be guided by the 'offensive interests' of these corporate giants. There is no conspiracy involved, and the image of helplessly weakened states blindly following the orders of TNCs is incorrect. Certainly, economic globalisation has increased the bargaining power of corporations and their lobby groups, but this is itself the result of a set of policies promoted by governments. The corporate privileges in the World Trade Organization system are therefore the predictable result of the neoliberal economic ideology which continues to dominate in governments around the world.

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THE MILLENNIUM-ROUND OFFENSIVE

The European Commission, spurred on by the very vocal Sir Leon Brittan, has vigorously promoted the launching of a broad new round of WTO negotiations covering a wide range of issues following the Seattle Ministerial Conference (30 November to 3 December 1999).

Apart from the issues in the WTO's 'built-in agenda'—agriculture, intellectual property rights and services—the Commission has also proposed the initiation of negotiations for agreements on investment, public procurement, competition policy and other areas. The Commission seems slowly but surely to have gained the support of Canada and Japan; and the US, which had initially favoured separate negotiations on a smaller number of issues, is finally warming up to the idea of a grand new round.

Southern governments, however, have not given Brittan's initiative an overly warm reception. In fact, their resistance to negotiations on new issues—and particularly on investment—dates back to 1995 when an earlier EU offensive took place (see "MAIgalomania", CEO, 1998; reprinted in NEXUS 5/03, 5/04).

When the negotiations for a multilateral investment treaty (the MAI) officially began within the OECD in 1995, the involved Northern countries had a two-track strategy, pushing simultaneously for a Multilateral Investment Agreement (MIA) within the WTO. In fact, the EU hoped to launch talks on an MIA at the December 1996 WTO Ministerial Conference in Singapore.

Developing countries revolted against the MIA from the beginning, however, afraid that it would impact "the ability of national governments to regulate FDI flows so as to support national development objectives and priorities". Instead, they demanded that the investment issue be discussed within the framework of UNCTAD.[42]

Despite fierce opposition by Third World governments, a WTO working group was set up to study the relations between trade and investment. This followed an utterly undemocratic procedure involving only an informal group of 30 countries. The 'cold war' between OECD countries and MAI/MIA opponents continued throughout the meetings of the working group in 1997 and 1998. Fearing that the EU would succeed in rallying support for the preparation of negotiations, the citizens' groups that opposed the MAI in the OECD insisted that it should not be revitalised within the WTO. In this politically tense climate, the investment working group announced in its December 1998 final report that it would not bring out any recommendation but, rather, would continue discussions.[43] Despite these developments, the European Commission's position has not significantly changed since 1995. The EC remains a staunch proponent of investment negotiations in the WTO.

The EC knows that investment negotiations within the WTO will not result in a 'big bang' treaty like the MAI was intended to be. Rather, a WTO investment treaty would consist of a gradual but continuous process of investment deregulation over the next few years. Underneath the new language of a 'development-friendly' investment agreement, the EC's primary goal is to get binding rules on investment that 'lock in' the deregulation that has taken place over the last years and which commits governments to rolling back gradually the remaining barriers that 'discriminate' against TNCs. This is essentially as undemocratic and dangerous as the OECD MAI. It is certainly a major threat to citizens' groups in the South and North who have witnessed the negative social and environmental impacts of the deregulation wave of the last few years. These controversial changes, often imposed by the IMF through its structural adjustment programs, would become international law, and new policies to create a fair level playing field for local economic players and other attempts to re-regulate would be banned.

Many Third World governments, NGOs and people's movements oppose the introduction of not only investment into the WTO, but of other proposed new issues as well. Martin Khor, director of the Third World Network, has pointed out that the EU's motive for a WTO agreement on competition policy is not to limit corporate concentration on a global scale. On the contrary, it hopes to dismantle barriers faced by Northern TNCs in 'emerging markets', such as various laws or policies that favour local firms. These might include policies that give importation or distribution rights to local companies, for example.

On the issue of government procurement, the EU hopes to prevent Southern governments from giving preference to local citizens or firms when distributing public sector contracts (such as for building or equipping hospitals, schools, infrastructure, etc.). Bringing government procurement under the WTO regime with its 'national treatment' principle would mean that foreign corporations must be given the same (or better) opportunities to win contracts as locals. When foreign investors complain about discriminatory treatment in a WTO member state, they would be able to bring the case to the WTO's dispute settlement system through the intermediary of their own government and claim compensatory and retaliatory measures.

TNCs are drooling over the potential markets for government procurement contracts, which in many developing countries cover 20 to 30 per cent of total GDP. In most developing countries, government procurement contracts remain one of the only ways to steer economic development by enabling local industry to develop. As is the case with the proposed rules for investment, WTO rules for competition policy and government procurement are presented as necessary for the creation of a 'level playing field'. In reality, however, equal competition between giant global corporations and smaller local producers in developing countries will lead to the massive-scale extinction of the latter.

Is it a dictatorial tool of the rich and powerful? Does it destroy jobs? Does it ignore the concerns of health, the environment and development? "Emphatically no," says the WTO publication, *10 Common Misunderstandings about the WTO*.

One of the outcomes of the Geneva Ministerial Conference in May 1998, and the 50th anniversary of the GATT, was an announcement by the WTO that it would intensify its PR strategy in order to explain the 'benefits' of free trade to the world. Concerned about the growing worldwide public backlash to trade and investment liberalisation, the WTO declared new measures to involve NGOs and civil society, allow better access to documents and improve transparency. So far, however, the WTO's efforts on these issues have been appalling.

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THE EC's MANY FACES

Sir Leon Brittan has used every conceivable argument to gather support for 'his' Millennium Round. While critics argue that the financial crisis and the accumulating evidence that economic globalisation causes widespread social and environmental damage demand a reconsideration of continued trade and investment liberalisation, Sir Leon has not wavered. On the contrary, the financial crisis, which according to Brittan was caused by "the mismanagement of the market economy", makes him "feel strongly that the introduction into the WTO of global rules governing investment is one of the highest priorities in the new round of global trade negotiations".[44]

In order to ensure that investment negotiations would occur, the European Commission—claiming to have learned from the opposition to the MAI in the OECD—began to reach out to NGOs. "Wide consultation and open debate will be crucial for the success of the Millennium Round. Governments need to keep their electorates fully informed," Brittan reassured an NGO delegation at one of the 'dialogue meetings' on the proposed Millennium Round, organised by the Commission for 'civil society' representatives since September 1998.[45] Business representatives, who also fit the Commission's definition of civil society, were present at these dialogues. The Commission also promised transparency and participation in decision-making in the proposed new negotiations, the publication of information on the EU's website, and a "sustainable development impact assessment" of the Millennium Round.[46]

The sense that the Commission had embarked on a charm offensive with questionable substance grew stronger during the 'dialogue' process over the coming months. During a January 1999 dialogue meeting, the Commission distributed a rather vague paper outlining its ideas for a WTO investment agreement which lacked many of the controversial elements of the MAI.[47] A week before, however, the NGOs present had received a leaked version of an earlier official Commission proposal. This version, which included nearly all of the elements that had provoked major opposition to the MAI, had already been discussed with the Council of Ministers' 133 Committee (for external trade) the previous month.[48] Asked about the status of these two papers, the Commission did not move a muscle but stated that "especially on investment, the ideas are moving very fast".[49] Although a number of other dialogue meetings were held on issues such as trade facilitation as well as trade and development, fewer and fewer NGOs turned up.

Another blow to the Commission's credibility came in March 1999 when it was revealed that it had been pursuing a parallel and qualitatively different process of "consultation and partnership with European business interests over investment issues" with the so-called Investment Network (IN).[50] The IN, representing Fiat, ICI, Daimler-Benz, Carlsberg, British Petroleum, Rhône-Poulenc and some 50 other corporations, was set up to identify the priorities of large European corporations for a WTO investment agreement. The Commission also surveyed more than 2,000 European businessmen in order "to give a clear picture of the way international liberalisation and international rule-making on investment are perceived by the business community".[51] The IN is clearly an outgrowth of the Commission's experience during the Financial Services Agreement negotiations, in which it worked closely with the Financial Leaders Group.

Recently, the Commission has also encouraged European corporations in the services sector to set up a European Services Network (ESN), which will "advise European Union negotiators on the key barriers and countries on which they should focus in these negotiations".[52] In his speech at the first meeting of the ESN, Sir Leon Brittan was frank about the central role he envisages it playing: "You are the driving force of the consultation system which we have established; my door is open for any matters of concern. And I expect that whenever the overall ESN comes to some conclusions, these will represent the views of the industry, although I will also be ready to listen to the problems of individual companies."[53]

The ESN is closely related to the European Service Leaders Group (ESLG), which consists of over 40 chairmen and CEOs from various sectors ranging from banking to energy services. The ESLG is supposed to "give the political impetus and a high public profile" to the new GATS negotiations starting in the year 2000.

The active encouragement of the creation of new business structures by the Commission, to build support for the Millennium Round and to deliver input into the negotiations, will surely strengthen its position *vis-à-vis* EU member states. As US academic Maria Green-Cowles points out: "By working closely together, the companies and the Commission present the member states with a negotiating strategy 'pre-approved' by European industry."[54]

THE MILLENNIUM-ROUND BUSINESS OFFENSIVE

We want neither to be the secret girlfriend of the WTO, nor should the ICC have to enter the World Trade Organization through the servants' entrance.[55]

— Nestlé's Helmut Maucher

A number of highly influential business groupings are concocting their own campaigns in support of the Millennium Round. A common feature of these strategies, following upon the lessons of the failed MAI negotiations, is a move away from the tradition of fierce opposition to social and environmental clauses in the WTO. Industry obviously hopes that this tactic will encourage NGO support for further liberalisation.

• UNICE: A Softer Approach

The European employers' organisation UNICE, for example, recommends that WTO negotiators secure the "widest possible endorsement by public opinion", while simultaneously "facilitating the expansion of economic activities essential for achieving the goal of increased living standards around the world" and "reconciling liberalisation of international trade and investment with the realisation of other objectives of general interest, such as economic development of the least-developed countries, application of internationally accepted labour standards and protection of consumers or the environment".[56]

The failure of the MAI negotiations in the OECD came as a nasty surprise to the European Round Table of Industrialists...

Although UNICE is very keen on a WTO investment agreement, including the MAI's broad definition of investment and unlimited national treatment for foreign investors, it judges that unrestricted market access and full-scale liberalisation are not feasible in the short term.

UNICE is an active participant in the Commission's dialogues with civil society on the Millennium Round, and with an unusually soft approach. However, the group also has its own separate meetings with the Commission where the rhetoric is likely to be less geared towards soothing NGO concerns.

• The EU's 'Green' Carrot

EU Commissioner Brittan has also become increasingly vocal about the 'mainstreaming' of the environment in the new round. Although still claiming that trade and investment liberalisation is entirely consistent with sustainable development, he has come some way in adopting green NGO demands on strengthening the position of multilateral environmental agreements (MEAs) as well as on the relevance of judging products on the process and production methods applied, allowing eco-labelling and using the precautionary principle. However, many of these demands have been rejected by Southern governments, who fear that they will be used to intensify the use of trade instruments to protect Northern interests and that they will shift the environmental burden to Third World countries.

Many Northern citizens' organisations also distrust the Commission's promises, and stress that adding vague clauses is no real solution for an institution which globalises highly unjust and unsustainable consumption and production patterns.[57] They insist upon a moratorium on further trade and investment liberalisation until the WTO system has been fundamentally reformed.

• ERT: A GATT for Investment

The European Round Table of Industrialists (ERT) has a long history of deep involvement in the push for investment liberalisation, its main objective being an agreement within the WTO. As early as 1993, the ERT stressed the need for "a GATT for investment" to "lock in the process of liberalisation".[58] This wish has been repeated in the five reports on investment produced by the ERT's North-South working group since 1993.

The failure of the MAI negotiations in the OECD came as a nasty surprise to the Round Table, but, as Secretary-General Wim Philippa explained, the ERT soon afterwards indicated to the Commission that it "would very much like to work along with the Commission, and with the WTO if they eventually will become the partner, to try to speed up an acceptable MAI".[59]

The ERT has established a separate working group on foreign economic relations, chaired by Peter Sutherland, currently chairman of BP and Associate of Goldman Sachs International.[60] Philippa clearly regards Sutherland, the former GATT Director-General, as the ERT's secret weapon. He explains that "his knowledge, his experience, his contacts, his channels" will make the ERT "more proactive" and give it "a possibility to speed up matters".[61]

Endnotes

36. Sir Leon Brittan, in a speech entitled "Europe and the United States: New Challenges, New Opportunities", address to The Foreign Policy Association, New York, 23 September 1998, http://europa.eu.int/comm/dg01/0923slbsp.htm.
37. Cavanagh, John, "Background to the Global Financial Crisis", Institute for Policy Studies, September 1998, www.ifg.org/cavanagh.html.
38. Associated Press, Thursday 3 June 1999.
39. See, for instance: "Trade Myths and Gender Reality", ICDA, 1999, and "Gender Focus on the WTO", ICDA, 1999, e-mail icda@skynet.be.
40. UNCTAD, "World Investment Report 1997".
41. See, for instance: *European Economy: Reports and Studies*, no. 3, 1997.
42. Wall, Tim, "New WTO Investment Rules Cause Concern; Major issues loom for countries already struggling with Uruguay Round trade agreements", *Africa Recovery*, vol. 10, no. 3, December 1996, www.globalpolicy.org/socecon/bwi-wto/wtoinvst.htm.
43. WTO, "Report (1998) of the Working Group on the Relationship between Trade and Investment to the General Council", WT/WGTI/2, 8 December 1998 (98-4920). Available through the WTO Document Dissemination Facility, www.wto.org/wto/ddf/ep/public.html.
44. Sir Leon Brittan, in a speech entitled "Europe and the United States: New challenges, New Opportunities", 23 September 1998 (see note 36).
45. Sir Leon Brittan, in a speech entitled "The WTO Future Agenda", at a Meeting of the European Community and European Non-Governmental Organisations, Business Federations and Labour Organisations on the WTO Future Agenda, Brussels, 16 November 1998, http://europa.eu.int/comm/dg01/1711brng.htm.
46. The EC publishes information on its preparations for the proposed WTO Millennium Round on website http://europa.eu.int/comm/dg01/dg1newround.htm.
47. European Commission DG1A, "International rules for investment and the WTO", public discussion paper distributed at a dialogue meeting between the Commission and non-governmental organisations in Brussels on Wednesday 27 January 1999, www.xs4all.nl/~ceo/mai/eu/euinvdis.html.
48. European Commission DG1A, "Note for the attention of the 113 Committee, Subject: WTO New Round – Trade and Investment", Brussels, 15 December 1998, www.xs4all.nl/~ceo/mai/eu/113invest.html.
49. Notes made during EC-NGO dialogue meeting, Brussels, 28 January 1999.
50. EC, "Minutes of the first meeting of the Investment Network", European Commission document, Brussels, 27 November 1998.
51. EC, "Annotated Agenda, Investment Correspondent Network", Brussels, 5 March 1999.

The work plan of the ERT—to prepare the path for a MAI in the WTO—includes an ERT delegation to go to the WTO and have a dialogue with them and to assist, guide and help the Commission come up with a solid document which should be acceptable to the wide audience. The ERT's new pragmatic approach includes accepting social and environmental clauses in the WTO, as Philippa explains: "We cannot circumvent. We have to accept the situation that environmental and social issues will become of more and more importance."[62]

• Trans-Atlantic Business Consensus

The over 100 corporate leaders involved in the Trans-Atlantic Business Dialogue (TABD) have a formal role, advising the EU and US administrations on their positions in WTO negotiations.

As the crisis in the OECD MAI negotiations deepened, the TABD was increasingly split along Atlantic lines. At the November 1998 TABD summit in Charlotte, North Carolina, EU industry lobbied hard to convince its US counterparts, who had not yet abandoned the OECD dream, to join its offensive for an investment treaty in the WTO. According to European TABD spokesperson Stephen Johnston: "We have decided to work in the WTO. The TABD has regrouped."[63]

The International Chamber of Commerce (ICC), one of the most heavyweight corporate players behind the MAI, is also the international business grouping with the closest links to the WTO Secretariat.

The consensus reached within the TABD is reflected in the mid-year report that it submitted to the EU-US Summit in June 1999, in which it calls for a "broad-based" round of negotiations to be concluded in three years.[64] The new round should be flexible, so that "when an agreement with a critical mass is reached it can be implemented, rather than waiting for the conclusion of all other negotiations".[65]

The TABD wish-list for the Millennium Round largely mirrors the EU proposal of expanding the WTO's built-in agenda (agriculture, services, TRIPs) with liberalisation negotiations on a range of further issues such as investment, government procurement, trade facilitation and industrial tariffs. The wish-list also includes so-called "deliverables", to be finalised in November/December 1999 at the Seattle Ministerial Conference—among them, controversial agreements on forest products and electronic commerce.

As for environment and competition policy, the TABD is far less ambitious. The mid-year report recommends continuing with ongoing studies. The TABD expects it will be able to have an impact on the WTO Seattle Ministerial. As Johnston explains: "Once you have a powerful agreement, even if it is the day before, that will make a difference for what the people say."[66]

• ICC: Revolving Doors

The International Chamber of Commerce (ICC), one of the most heavyweight corporate players behind the MAI, is also the international business grouping with the closest links to the WTO Secretariat.

Stefano Bertasi, head of the ICC Working Group on Trade and Investment, explains: "We've always had, throughout the years, a very close working relationship with the WTO, because obviously they deal with issues which are central to business interests. The ICC has always been a vector for business input into WTO work since its creation [and] since the creation of the WTO and the beginning of the multilateral trade negotiations."[67] Bertasi says that the ICC's strategy to influence the process "is done in two ways: directly through the intergovernmental organisations, and through the member governments of those organisations through our national committees".[68]

Part of the explanation for the handy connections with the WTO is the fact that the ICC Working Group on International Trade and Investment Policy is headed by Arthur Dunkel, Director-General of the GATT during the Uruguay Round.[69] Dunkel is also a registered WTO dispute panellist and a board member of Nestlé.

The ICC has a long tradition of massive lobbying campaigns to influence WTO negotiations, including a six-month campaign in the run-up to the first Ministerial Conference in Singapore. Decisions taken there to remove tariffs on information technology products and to establish new working groups on investment and competition "met the business agenda for further trade liberalisation as spelled out by the ICC".[70]

In the second half of 1998, the ICC began to gear up for the proposed Millennium Round. "We have already had several informal contacts with the WTO on the new issues that they are looking at," says Bertasi.[71]

The ICC's campaign towards the Seattle Ministerial Conference was kicked off on 20 May, when a top-level ICC delegation

In the annotated agenda for the Investment Network meeting of 5 March, the EC explains the purpose of the process: "The current discussions between WTO partners show us that it will be difficult to move forward on all fronts in Geneva as regards our interests in investment issues. It is therefore crucial for EU negotiators to know where the priorities of European businesses really lie, with a view to building up a negotiation strategy in the longer term."
52. ESN, "GATS 2000: Opening markets for services", leaflet.
53. Sir Leon Brittan, in a speech delivered at the first meeting of the European Services Network, Brussels, 26 January 1999, http://gats-info.eu.int/gats-info/gatsesn.pl?.
54. Cowles, Maria Green, "The TABD and Domestic Business-Government Relations: Challenge and Opportunity", draft, to be published in: Maria Green Cowles, James Caporaso and Thomas Risse (eds), *Europeanisation and Domestic Change*, forthcoming website, www.iue.it/Personal/Risse/Rissedoc/cowles.doc.
55. Maucher, Helmut, "Ruling by Consent", guest column, *Financial Times*, 6 December 1997, FT Exporter, p. 2.
56. UNICE, "Forthcoming WTO Multilateral Negotiations. Preliminary UNICE Objectives", 16 July 1998.
57. Through numerous combined impacts, economic globalisation poses a fundamental threat to ecosystems at the local, regional and global levels. To feed highly unsustainable production and consumption patterns, initially in the rich industrialised countries but now becoming increasingly globalised, corporations continue to exploit irreplaceable natural resources in the remaining pristine corners of the world. Intensive and destructive agricultural and fishery practices are replicated worldwide, causing huge environmental damage and threatening local food security. Sky-rocketing volumes of transport, fuelled by ever-increasing distances between producers and consumers, are a major contributor to health-threatening pollution and dangerous climate change. See, for instance, "The Environmental Impacts of Economic Globalisation", forthcoming study by the International Forum on Globalization, San Francisco.
58. ERT, "European Industry: A Partner for the Developing World", Brussels, 1993.
59. Interview with Wim Philippa, Brussels, 16 December 1998.
60. Peter Sutherland is former Irish Justice Minister, was EU Competition Commissioner from 1985 to 1989 and GATT/WTO Director-General from 1993 to 1995.
61. Interview with Wim Philippa, Brussels, 16 December 1998.
62. ibid.
63. Interview with Stephen Johnston, Brussels, 26 January 1999.

(including its President, Adnan Kassar, Vice-Presidents Richard McCormick from US WEST and Nestlé's Helmut Maucher, Secretary-General Maria Livanos Cattaui, and the Chairman of ICC Germany, Ludger Staby) met with German Chancellor Schroeder to bring him the ICC's demands for the G8 Summit two weeks later.

The ICC's agenda, like the other corporate groupings, doubles the new issues proposed by the European Commission: investment, government procurement and trade facilitation. However, the ICC statement hardly shows any signs of a softer, more consensus-seeking line. In its message, the ICC calls on the G8 governments to ensure that MEAs and eco-labelling schemes do not get in the way of free trade.

Hungry for a global investment agreement, the ICC is very busy trying to persuade developing-country governments that such a deal would be in their interests. "If ever there was a piece of international legislation that is in the interests of the developing world, it is a comprehensive and uniform agreement to govern foreign direct investment," claimed ICC Secretary-General Maria Livanos during a recent visit to South Africa.[72] One can only hope that the South African Government will listen to the many citizens' groups who leave no doubt about their opposition to the 'neo-colonial' corporate investment agenda as promoted by the ICC.[73]

Citizens' groups in both the North and South are increasingly turning against the World Trade Organization due to its abysmal social and environmental record.

FIGHTING THE WORLD TRADE ORGANIZATION 'MILLENNIUM BUG'

Citizens' groups in both the North and South are increasingly turning against the World Trade Organization due to its abysmal social and environmental record. In Southern countries, public awareness about the trade body is growing, and people's movements are mobilising against the free trade agenda. This is evident in countries like India, where hundreds of thousands of people have joined public demonstrations against the WTO. Also, more and more parliamentarians in Southern countries are demanding fundamental changes in the WTO agreements which they signed without fully understanding the implications.

A significant number of developing-country governments, including India, Pakistan and Egypt, have been very vocal about their opposition to the new round, preferring to stick with the built-in agenda and to make existing agreements more development-friendly. After a few years of experience within the WTO system, many Southern governments are more confident about their positions and may not back down to US and EU pressure as easily as they have done in the past.

The Commission's offensive to achieve another quantum leap in trade and investment liberalisation will predictably cause a further deepening of the social and environmental crisis in a global economic system that is clearly not 'Millennium-proof'. Only time will tell how successful the Commission's attempt to seduce 'civil society' has been.

Although the greenwashing tactics will, without doubt, persuade some NGOs, campaigning against the proposed Millennium Round is quickly on the rise. A March 1999 statement, rejecting the idea of such a new Round, had by June already been signed by 700 citizens' groups from all over the world. The NGOs demand "a moratorium on any new issues or further negotiations that expand the scope and power of the WTO".[74] Instead, they propose a fundamental review of the WTO system, stressing the need to "change course and develop an alternative, humane and sustainable international system of trade and investment relations."

A condition for any positive change is that governments move away from the disastrous habit of shaping their international trade policies around the interests of large TNCs. The existing WTO agreements that are the result of this deeply flawed approach are increasingly losing legitimacy, as is the WTO as an institution. Indeed, the opposition against the attempt to consolidate the failed model of neoliberal globalisation through a Millennium Round is one of the major struggles for a turn towards a more just and sustainable global economy at the edge of the new millennium. ∞

About the Authors:

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Endnotes (continued)

64. TABD Mid-Year Report, 19 May 1999.
65. ibid.
66. Interview with Stephen Johnston, Brussels, 26 January 1999.
67. Phone interview with Stefano Bertasi, 22 February 1999.
68. ibid.
69. Dunkel is former Swiss trade negotiator and chaired the GATT from 1980 to 1993.
70. ICC, "The world business organisation in 1997", brochure, p. 4.
71. Phone interview with Stefano Bertasi, 22 February 1999.
72. Maria Livanos Cattaui, ICC Secretary-General, during a visit to the South African ICC national committee, 11 May 1999.
73. See, for instance, "Market Doesn't Replace Need for Development Cooperation", African NGO Declaration for UNCTAD IX, Midrand, South Africa, April 1996. "The neo-liberal economic paradigm makes our governments unresponsive to our basic economic and social needs, forces open our economies to the advantage of external traders and investors, and makes African countries ever more dependent upon the richer industrialised countries and their transnational corporations. Our countries are being recolonised, and the responsibility of our governments to us is being replaced by their responsiveness to the needs and interests of TNCs and their home governments." See www.globalpolicy.org/socecon/bwi-wto/afrtrade.htm.
74. Statement from members of international civil society opposing a Millennium Round or a new round of comprehensive trade negotiations, Geneva, 21 March 1999, www.xs4all.nl/~ceo/wto/wtomr-cn.html.

Web Resources

Some campaign groups:

- A SEED Europe: www.antenna.nl/aseed/
- ATTAC: www.attac.org
- Corporate Europe Observatory: www.xs4all.nl/~ceo
- Common Front on the WTO (Canada): www.sierraclub.ca/ national/trade-env/env-guide-wto.html
- Council of Canadian: www.canadians.org
- Friends of the Earth: www.foe.co.uk/foei/tes/index.htm & www.foe.org
- Focus on the Global South: www.focusweb.org
- Observatoire de la Mondialisation: www.ecoropa.org/obs/
- Green Group in the European Parliament: www.millennium-round.org
- People's Global Action: www.agp.org
- Public Citizen: www.tradewatch.org
- Third World Network: www.twnside.org.sg
- Transnational Institute: www.worldcom.nl/tni/wto/
- World Development Movement: www.oneworld.org/wdm/